



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

May 12, 2011

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "WTF", is written over the "From:" line.

SACRAMENTO UPDATE

This memorandum contains information on the Assembly Republicans State Budget Proposal; a pursuit of County position on two items for inclusion in the Senate Local Government Omnibus bill to: 1) clarify that counties may accept credit cards, debit cards and electronic funds transfers for donations; and 2) remove existing library withdrawal requirements that apply to the County; and an update on six County-advocacy bills.

State Budget

Assembly Republican Budget Proposal

In anticipation of the release of the Governor's May Budget Revision on Monday, May 16, 2011, Assembly Republicans released their own version of the State Budget proposal for FY 2011-12 which relies on expenditure reductions, revenues and transfers, with no tax increases. The plan identifies a remaining State Budget deficit of \$14.7 billion and it assumes that this year's \$2.5 billion windfall will continue into FY 2011-12 and score additional revenues for the coming year of \$2.5 billion for a two-year total of \$5.0 billion. Furthermore, the plan relies on the redirection of one-time Proposition 10 funding for early childhood programs and Proposition 63 mental health funding, for a total of \$2.3 billion.

"To Enrich Lives Through Effective And Caring Service"

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A major component of the Assembly Republican Budget Proposal is the rejection of the Governor's Realignment Proposal, which would shift \$5.9 billion in FY 2011-12 and transfer full responsibility for various programs from the State to counties.

Other major components of County interest include:

- Law Enforcement. Provides \$500.0 million from the State General Fund to support local law enforcement programs that would have been funded through Vehicle License Fee revenues.
- Redevelopment. Assumes either the Governor's proposal to eliminate redevelopment agencies is adopted (with fixes related to Proposition 98 proposed by the Republican plan), or the California Redevelopment Agencies proposal is adopted, for a State savings of \$1.0 billion to \$1.7 billion.
- Education Funding. Dedicates the \$2.0 billion in unanticipated tax revenue to fully fund the Proposition 98 minimum funding guarantee for schools.
- Adopt Remaining Governor's Proposals. Includes up to \$1.4 billion in cuts and other savings proposed by the Governor which have not been enacted by the Legislature.

Pursuit of County Position on Two Items for Potential Inclusion in the Senate Local Government Committee Omnibus Bill or Other Legislation

Each year, the Senate Local Government Committee sponsors legislation, which would make relatively minor, non-controversial changes to laws affecting local agencies' powers and duties. Local officials identify problems with State statutes that affect counties, cities, special districts and redevelopment agencies, as well as the laws on land-use planning and development. Each item included in the bill is extensively vetted and, if there is an objection, the item is not included in the legislation.

Acceptance of Credit Cards/Electronic Donations

California's Government Code provides that a county's board of supervisors may accept or reject any gift, bequest or devise made to or in favor of the county for any public purpose and that the board may delegate to any county officer or employee the power to accept such a gift or bequest. The Board of Supervisors has delegated authority to County department heads to accept or reject any gift, bequest or devise under Government Code Section 25355 up to \$10,000, while any gift, bequest or devise in excess of \$10,000 must be placed on the Board's agenda for consideration.

The Government Code lists specific instances under which counties may accept credit cards, debit cards and electronic funds transfers. However, gifts, bequests and devises are not among those instances. County departments have encountered problems when they want to accept donations using a credit/debit card or an electronic funds transfer, and use the donations for purposes permitted under Government Code Section 25355. The statutes that authorize counties to accept credit/debit cards and electronic funds transfers do not list donations as one of the authorized items.

The County's Countywide E-Commerce Readiness Group, which is charged with assisting departments in implementing electronic commerce applications, recommend that county departments be allowed to accept credit card, debit card and electronic funds transfer payments for donations. This can be accomplished by amending Government Code Section 6159(b) to expressly provide that counties may accept credit cards, debit cards, and electronic fund transfers for donations to the extent acceptance of such donations is permitted under the Government Code. With this change, County departments will be able to accept all donations as permitted by the Government Code following the applicable County Fiscal Manual procedures.

The County's Countywide E-Commerce Readiness Group and this office support changes to the Government Code to clarify that counties may accept credit cards, debit cards and electronic fund transfers for gifts, bequests and devises under Government Code section 25355. Therefore, consistent with Board policies to: support proposals to restructure State and local responsibilities if they create or promote program effectiveness; and support proposals that seek funding for programs where service needs have outpaced stagnant or slow growth of revenues, **the Sacramento advocates will seek to include the proposed changes to the Government Code in the Senate Local Government Omnibus bill or other legislation and support its passage.**

Amendment of Library Withdrawal Provisions

The Public Library and this office recommend that the County seek proposed language to remove provisions for withdrawal of a city or library district from the county library system in existing law that applies to Los Angeles County. Because this proposal would amend existing withdrawal provisions that apply to Los Angeles County, support for this proposal is consistent with your Board's action of March 22, 2011 to recommend remedies to the withdrawal requirements in existing law. Therefore, **the Sacramento advocates will seek to include this proposal in the Senate Local Government Omnibus bill or other legislation and support its passage.**

The County is currently pursuing proposed amendments to remove the existing withdrawal requirements that only apply to the counties of Los Angeles and Riverside and to expand voter approval requirement to any cities that wish to withdraw from a county public library system. **County-supported-if-amended AB 438 (Williams)**, which would require a city or the board of trustees of a library district that intends to operate the library or libraries with the help of a private contractor that will employ library staff to: 1) publish notice of the intent to withdraw from the county free library system; 2) submit the decision to withdraw for voter approval at a regularly scheduled election; and 3) notify the county board of supervisors of approval by the voters to withdraw from the county free library system, was placed on the Assembly Appropriations Committee suspense file on May 4, 2011. The Sacramento advocates have learned that it is unlikely that the author will accept the County's requested amendments to AB 438; therefore, the County is seeking to include this proposal in the Senate Local Government Omnibus bill.

Status of County-Advocacy Legislation

County-supported AB 171 (Beall), as amended on May 3, 2011, would require that health care service plan contracts and health insurance policies issued, amended, or renewed after January 1, 2012, that provides hospital, medical or surgical coverage shall provide coverage for the screening, diagnosis and treatment of autism spectrum disorders, was placed on the Assembly Appropriations Committee suspense file on May 11, 2011, because of potential increased costs to the State General Fund.

County-opposed AB 400 (Ma), as introduced on February 14, 2011, which would: 1) require employers to provide paid sick days for an employee who works for seven or more days in a calendar year; 2) allow employees to accrue sick days for no less than one hour for every 30 hours worked; and 3) permit employees to use sick days beginning on the 90th calendar day of employment was placed in the Assembly Appropriations Committee suspense file on May 11, 2011 due to potential increased costs to the State General Fund.

County-supported AB 499 (Atkins), as introduced on February 15, 2011, would permit a minor who is 12 years of age or older to consent to medical care related to the prevention of a sexually transmitted disease, passed the Assembly by a vote of 47 to 25 on May 12, 2011. This measure now proceeds to the Senate.

County-opposed AB 720 (Hall), which would limit the flexibility of counties who utilize Road Commissioner Authority for work on roads and highways for more than maintenance and emergency and prevent them from using the Uniform Public

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Construction Cost Accounting Act, passed the Assembly Local Government Committee by a vote of 7 to 0 on May 11, 2011. This measure now proceeds to the Assembly Floor.

County-supported AB 1297 (Chesbro), as introduced on February 18, 2011, would maximize reimbursement of Federal Medicaid funding to counties for special mental health services, passed the Assembly by a vote of 66 to 0 on May 12, 2011. The measure now proceeds to the Senate.

County-opposed SB 469 (Vargas), which would require a city, county, or city and county, prior to approving or disapproving a proposed development project that would permit the construction of a superstore retailer, as defined, to cause an economic impact report to be prepared, was amended on May 10, 2011.

The amendments would require the city or county to approve or disapprove the proposed development project within 180 days from the date of certification of an environmental impact report and approval of an economic impact report, or within 60 days from the date of adoption of a negative declaration and approval of an economic impact report or the determination by the lead agency that the project is exempt from the California Environmental Quality Act and approval of an economic impact report.

SB 469 is co-sponsored by the California Labor Federation; Neighborhood Market Association and Small Business California and supported by the California Nurses Association; California School Employees Association; Sierra Club California; State Building and Construction Trades Council of California; and United Domestic Workers of America. It is opposed by numerous entities, including: the Associated Builders and Contractors of California; California Business Properties Association; California Chamber of Commerce; California Contract Cities Association; California Retailers Association; League of California Cities; the Cities of Bakersfield, Chino, Chino Hills, Lakewood, and Palmdale; and San Bernardino and Kern County.

This measure is currently in the Senate Appropriations Committee pending a hearing.

We will continue to keep you advised.

WTF:RA
MR:RM:IGEA:sb

c: All Department Heads
Legislative Strategist